

## **806 KAR 9:265. Rental vehicle agent and managing employee.**

RELATES TO: KRS 304.4-010, 304.9-295, 304.9-501, 304.9-505, 304.9-513

STATUTORY AUTHORITY: KRS 304.2-110, 304.9-513

NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.2-110 authorizes the executive director to promulgate administrative regulations necessary for or as an aid to the effectuation of any provision of the Kentucky Insurance Code, as defined in KRS 304.1-010. KRS 304.9-513 authorizes the executive director to promulgate administrative regulations to carry out the purpose of KRS 304.9-501 to 304.9-513. This administrative regulation establishes the information to be included in the application for rental vehicle agent and managing employee licenses; the requirements for prelicensing education, course examinations, continuing education for rental vehicle managing employees; and recordkeeping for rental vehicle agents and their employees who sell rental vehicle insurance.

Section 1. Definitions. (1) "Executive director" means the Executive Director of the Office of Insurance.

(2) "Office" means the Office of Insurance.

Section 2. The license application shall be submitted as a package, and shall include:

(1) Form 8301-BE, incorporated by reference in 806 KAR 9:340, for the business entity rental vehicle agent applicant or Form 8301, incorporated by reference in 806 KAR 9:340, for the individual rental vehicle agent applicant signed by the applicant and Form 8302-AP, incorporated by reference in 806 KAR 9:340, completed by the appointing insurer;

(2) Form 8301, incorporated by reference in 806 KAR 9:340, for each managing employee applicant signed by the applicant and Form 8302-AP, incorporated by reference in 806 KAR 9:340, completed by the appointing insurer;

(3) Form 8301-BGC, incorporated by reference in 806 KAR 9:340, for resident rental vehicle agent or managing employee applicants;

(4) Form 8301-RV, incorporated by reference in 806 KAR 9:340, signed by the rental vehicle agent applicant and each managing employee applicant; and

(5) The fees specified in KRS 304.4-010 and 806 KAR 4:010.

Section 3. (1) A licensed rental vehicle agent shall keep current the information required to be disclosed in its application for license by reporting within thirty (30) days all material changes and additions on applicable forms required in Section 1 of this administrative regulation on Form 8303, incorporated by reference in 806 KAR 9:340.

(2) A business entity licensed as a rental vehicle agent shall not sell, solicit, or negotiate insurance at any business location that does not have a licensed managing employee assigned to that location.

Section 4. A licensed rental vehicle agent shall maintain a current list of every unlicensed employee authorized to act under the license and the name of the assigned licensed managing employee for each business location.

Section 5. (1) The licensed rental vehicle agent shall:

(a) Adopt and utilize the office's preapproved prelicensing course of study for its managing employees; or

(b) Submit to the executive director for approval in accordance with subsection (2) of this section, a prelicensing course of study for its managing employees.

(2)(a) A prelicensing course of study shall be approved by the executive director or its designee prior to authorized use and shall be renewed biennially.

(b) Submission of the prelicensing course of study shall be filed with Form CE/PL-100, incorporated by reference in 806 KAR 9:340 or electronically through the office's Web site, <http://doi.ppr.ky.gov>.

(c) In approving a prelicensing course of study, the executive director or its designees shall consider whether the course of study covers, at a minimum, the materials designated in a course outline provided by the office.

(3) The licensed rental vehicle agent shall be responsible for the insurance activities of its licensed managing employees and its unlicensed employees and representatives.

Section 6. (1) The licensed rental vehicle agent shall submit its proposed licensing examination to be given to its managing employees to the executive director, or his designee, for approval.

(2) The examination for the managing employees shall include at least twenty-five (25) questions on the topics in the office's course outline. The managing employee applicant shall attain a score of seventy (70) percent or better to pass the examination and be eligible for the license.

Section 7. (1) The licensed rental vehicle agent shall submit its proposed continuing education courses for its licensed managing employees and its unlicensed employees or representatives to the executive director for approval.

(2) The licensed managing employee shall successfully complete at least six (6) hours of continuing education during each continuing education biennium. At least four (4) hours shall be related to property and casualty insurance and at least two (2) hours shall be related to ethics.

(3) The licensed rental vehicle agent's unlicensed employees or representatives shall receive one (1) hour of continuing education relating to consumer disclosures each year.

(4) Only continuing education courses approved in accordance with subsection (1) of this section or 806 KAR 9:220 may be used to satisfy the continuing education requirements of this section. These continuing education courses shall be taught by approved providers and instructors, which may include the licensed rental vehicle agent.

(5) The managing employee license of any individual failing to comply with the continuing education requirements of this section shall be terminated and promptly surrendered to the executive director without demand.

Section 8. (1) The rental vehicle agent licensee shall certify to the executive director on Form CE/RV-302, as prescribed in 806 KAR 9:340, that each licensed managing employee has successfully completed the continuing education required by Section 6 of this administrative regulation for each continuing education biennium in accordance with KRS 304.9-295.

(2) The rental vehicle agent licensee shall certify to the executive director on Form CE/RV-303, as prescribed in 806 KAR 9:340, that its unlicensed employees and representatives have successfully completed the continuing education required by Section 6 of this administrative regulation for each continuing education biennium in accordance with KRS 304.9-295.

(3) The rental vehicle agent licensee shall maintain complete records of the prelicensing study and course examination for the managing employees and continuing education for the managing employees and unlicensed employees or representatives for at least three (3) years.

Section 9. The licensed managing employee shall certify to the executive director on Form

CE/RV-302, as prescribed in 806 KAR 9:340, that he or she has successfully completed the continuing education required by Section 6 of this administrative regulation for each continuing education biennium in accordance with KRS 304.9-295. (27 Ky.R. 2969; Am. 3250; eff. 6-8-2001; 32 Ky.R. 321; 881; eff. 12-2-05.)